



# California Student Aid Commission

# Fact Sheet

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Fact sheet # 2004-05

Date: May 2004

## 2004-05 Cal Grant Program

The Cal Grant Entitlement Program for California's graduating high school seniors remains a significant opportunity for funding a college education. Funding for the program was outlined in the Governor's proposed state budget of January 9, 2004. The January 2004-05 state budget proposal was revised on May 13, 2004, (the May Revision).

### The Governor's proposed January Budget would:

1. Freeze award levels at their 2003-04 amounts: University of California students at \$4,984, and California State University students at \$2,046. The grant amounts would not be increased to meet any future fee hikes.

**Impact:** This will affect all new and continuing Cal Grant recipients at the UC and CSU.

2. Tighten Cal Grant eligibility requirements to curb future program growth by reducing household income ceilings by 10%. For example, this proposal would reduce eligibility by establishing a new ceiling for students in a family of four with a family income above \$60,840 who receive a Cal Grant A; or students in a family of four with a family income above \$31,950 who receive a Cal Grant B. Current law provides that students with a family income above \$67,600, for a Cal Grant A, or \$35,500, for a Cal Grant B, would have been affected in 2004-05.

**Impact:** The lowered program income ceilings will affect approximately 4,450 Entitlement students who would have been eligible to receive an award in 2004-05.

3. Reduce the program's current maximum award amount of \$9,708 annually to \$5,482, a 44 percent reduction, for new Cal Grant students attending private and independent colleges.

**Impact:** The 44% reduction to the private and independent college award amount will affect up to 9,700 students who would have been eligible to receive a Cal Grant Entitlement or Competitive award in 2004-05.

### The Governor's May Revise Budget proposal would:

1. Drop the proposal to "decouple" Cal Grant award amounts from undergraduate fee increases at the University of California and the California State University. Includes funding to increase award levels at the UC and the CSU to reflect the proposed 14 percent increase as contained in the Governor's new Higher Education Compact.
2. No change from Governor's January budget proposal, item 2 above.
3. No change from Governor's January budget proposal, item 3 above.
4. Contain a new proposal to reduce \$5.4 million associated with a reduction from 22,500 to 16,875 the number of Cal Grant Competitive awards the California Student Aid Commission is authorized to issue in 2004-05.

**Impact:** About 5,625 fewer California students (non-high school graduates) would be able to finance their college education through a Cal Grant.